

STATE OF HAWAII  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
HONOLULU, HAWAII

May 21, 1982

MEMORANDUM 1982-13

TO: Heads of Departments and Agencies  
Attention: Fiscal Offices

FROM: Hideo Murakami, Comptroller

SUBJECT: Priority (Red-Tag) Vouchers

Although the performance of some fiscal offices is much better than others in avoiding the need to red-tag vouchers for priority processing, this memorandum is to recommend that all fiscal offices review Section 564 of the Accounting Manual (Volume II) on the subject matter.

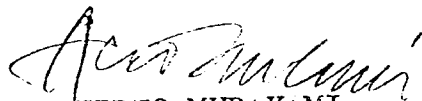
Our Accounting Division has noted a significant increase in the total number of red-tag vouchers currently being submitted for payment; many of the red-tag vouchers appear at variance with the guidance in Section 564. The number of red-tag vouchers in the first quarter of calendar 1982 increased approximately 20% over the number of red-tag vouchers in the same quarter of calendar 1981 (from 9,330 payments in 1981's quarter to 11,132 in 1982's quarter).

Those fiscal offices guilty of abusing the red-tag processing appear not to be planning their operations to allow timely payment through normal processing. It is clear in many cases that inadequate planning resulted in leaving vendors' invoices unvouchered for several weeks. For departments and agencies utilizing computer-prepared vouchers, it also appears that poor planning has resulted in including a claim with justified priority in a voucher with many other claims that do not justify priority; Section 564 calls for a priority claim to be vouchered on a separate voucher.

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It has been interesting to note that the bulk of red-tag vouchers are currently being received via the regular statewide messenger service, indicating there may be no actual urgency in having the claims paid on a priority basis. It has also been of interest to note instances where vendors' claims are red-tagged even though payment of the claims can readily be made within the generally accepted 30-day payment period without priority processing.

As stated in Section 564, our Pre-Audit Branch staff is given the discretion to remove red-tags from vouchers when it is determined that there is no valid reason for processing the voucher on a priority basis. It is much preferred, however, that departments and agencies monitor their own performance so that they can control the timing of vendor payments more directly. Please draw the attention of your fiscal office to this matter; their efforts and cooperation will be beneficial to the vendors and contractors involved, as well as to the internal business operations of the State government.

  
HIDEO MURAKAMI  
Comptroller